

AR09

Toronto Star Limited

80 KING STREET W., TORONTO, CANADA

PUBLISHERS

TORONTO DAILY STAR
STAR WEEKLY MAGAZINE
STAR TV WEEK

- * THE CANADIAN
- * CANADIAN HOMES

* PUBLISHED BY SOUTHSTAR PUBLISHERS LIMITED,
A COMPANY CONTROLLED JOINTLY BY TORONTO
STAR LIMITED AND SOUTHAM PRESS LIMITED.

Toronto Star Limited

SEMI-ANNUAL
REPORT
TO
SHAREHOLDERS

FOR THE SIX MONTHS ENDED
MARCH 31ST, 1968

TO OUR SHAREHOLDERS:

A consolidated statement of income (unaudited), of Toronto Star Limited, for the six months ended March 31, 1968, and the corresponding period of 1967 is set forth below.

The decline in net income despite an increase in gross revenue reflects the rising costs of publishing The Toronto Daily Star and The Star Weekly and the introduction of Star TV Week.

Toronto Daily Star showed gains in circulation and advertising revenue. Costs of establishing Star TV Week are gradually being offset by advertising revenue.

Star Weekly continues to experience competition from the distribution of The Canadian with daily newspapers throughout the country.

Although the outlook for national advertising is uncertain, some improvement in earnings in the next six months is anticipated as cost reduction programs take effect.

Beland Honderich

May 29, 1968

BELAND HONDERICH
President and Publisher

SUMMARY OF CONSOLIDATED INCOME FOR THE SIX MONTHS ENDED MARCH 31, 1968 AND 1967

	1968	1967
Gross Revenues	\$ 23,366,000	\$ 22,208,000
Provision for depreciation	393,000	593,000
Interest on long-term debt	287,000	298,000
Investment revenue	71,000	69,000
Provision for income taxes	564,000	750,000
Net income	496,000	696,000
Extraordinary profit on expropriation of land (including interest, less applicable income taxes)	—	204,000
Dividends	270,000	250,000

SOURCE AND APPLICATION OF FUNDS FOR THE SIX MONTHS ENDED MARCH 31, 1968 AND 1967

	1968	1967
Source of Funds:		
Net income	\$ 496,000	\$ 696,000
Depreciation and amortization	403,000	603,000
Proceeds from disposal of fixed assets	—	642,000
Reduction in investment — 50% owned companies	92,000	—
	991,000	1,941,000
Application of Funds:		
Redemption of preference shares (net)	—	1,939,000
Reduction in bonds and debentures	33,000	256,000
Purchase of fixed assets (net)	194,000	211,000
Investment in 50% owned companies	—	295,000
Dividends	270,000	250,000
Miscellaneous	6,000	40,000
	503,000	2,991,000
Increase (Decrease) in working capital	\$ 488,000	\$ (1,050,000)